ECCLESFIELD
PARISH COUNCIL

Serving the Community since 1894

TO ALL MEMBERS OF THE FINANCE AND PREMISES COMMITTEE

16th January 2020

Summons

Dear Sir / Madam,

You are respectfully summoned to attend the next meeting of the Finance and Premises Committee on **Thursday 23rd January 2020 at 6.30pm** at the Council Offices, Mortomley Lane, High Green.

Recording meetings
You can take photographs, film and audio-record the proceedings at Council and Committee meetings whilst they are open to the public. The recording has to be conducted under the direction of the Chair of the meeting and follow the Parish Council's protocol on audio and visual recording and photography at council meetings.
Anyone wishing to record should let the Chair of the meeting know prior to, or at the start of, the meeting and the recording must be overt (i.e. clearly visible to anyone at the meeting), but non-disruptive.

Public Participation
To receive questions and petitions from members of the public under the direction of the chairman and in accordance with the Council's Standing Orders. (Members of the public should please note that the Council reserves the right to respond in writing if any matter requires further research or consideration and that reports should be submitted in writing beforehand so they can be dealt with under correspondence.)

Yours sincerely

Cllr T Bawden
Proper Officer to the Council

Councillors: T. Bawden (ex officio), Mrs V Bowden, J Brownrigg, Mrs K Guest, J Housley, G Lakin, D Ogle, P Swift.

FINANCE & PREMISES COMMITTEE
AGENDA 23rd January 2020

92. **Appointment of Chairman**
The Terms of Reference do not stipulate that the chairman is appointed by the committee therefore the chairman and vice chairman of the Finance & Premises committee will be appointed at the Council meeting on the 5 February 2020.

93 To receive apologies for absence from members and to consider the reasons for absence

93. To receive any declarations of personal and/or disclosable pecuniary interests from members on items to be discussed at this meeting

94. **Grant presentations**
To receive a presentation from the following groups:
Thorncliffe Tennis Club
Friends of Grenoside Green
Chatty Crafters

95. To identify items for discussion which may require the exclusion of the press and public

96. **Investment**
To consider investing long term (3-5 years) with CCLA and to receive information on Investments (Pages 4 to 27 attached)

97. Minutes of the previous meeting held on the 12th December 2019 for information. (Pages 28 to 31 attached)

98. **To receive an update on the Accounts of Council**

98.1 To receive the Income and Expenditure Report and Bank Reconciliation for the current and imprest accounts up to 31 December 2019 (Pages 32 to 37 attached)

98.2 To receive and approve the list of payments retrospectively, for December 2019. (Page 38 attached)

98.3 The precept has been submitted to Sheffield City Council for the sum of £267,735 for 2020/21 which includes £4,113 Council Tax Support Grant.

98.4 A breakdown table and balance to date of the grants awarded 2019/20 (Page 39 to 40 attached)

98.5 A breakdown and balance to date of the archive project costs 2019/20 (Page 41 attached)

98.6 To consider purchasing a new Chairman's Chain and the cost would be approx. £3,000. The cost for the Glass Display Cabinet is to be confirmed as a local tradesman would be asked to provide prices.

98.7 The payment to Sheffield City Council of £16,934 for the grant contribution to Thorncliffe Leisure Centre has been paid prior to the deadline of 20 January 2020 (Page 42 attached)

99 **Financial Strategy Review**
To consider reviewing the Financial Strategy after the budget for 2020/21 has been set (Page 43 to 45 attached)

100. **South Yorkshire Pensions Authority**

To consider the direct debit consultation information from SYPA (Pages 46 to 49 attached)

101 **Confidential Matters**

102 To consider the report and quotations for the office IT Provision. Service and Maintenance would continue with the current contractor, charged at an hourly rate until the new equipment is purchased. (Pages 50 to 51 attached)

103 The quotations for an upgraded Fire Alarm System to the Parish Council Office and Community Room would be provided to the next meeting.

104 The quotations for the telephone system, including the service/maintenance contract that is currently with 1st Call Com will go to Council on the 5 February 2020.

105 **Grant Funding**

To consider the following grant applications submitted for funding available on the Councillors secure page of the Website and on the G Drive for councillors to log in using their username and password:

105.1 Thorncliffe Tennis Club – grant requested at a cost of £1,456.72
105.2 Friends of Grenoside Green – grant requested at a cost of £1,100.00
105.3 Chatty Crafters – grant requested at a cost of £801.00
105.4 Letters of thanks received from Heritage High Green and Paces Sheffield.

106 **Mortomley Park Play Area**
To consider the email received from Sheffield City Council with regard to the play area and financial support requested (Page 52 attached)

107 **Chapel Green Advice Centre**
To receive the updated from Chapel Green Advice Centre and breakdown of items requested previously in their grant application (Page 53 attached)

108 **Staffing**
To receive the update from the Advisor to Council regarding the Employers Pension Contribution from 1 April 2020 (Page 54 attached)

109 Closure of the meeting and dates of future meetings.

13 February 2020, 12 March 2020 and 23 April 2020 at 6.30pm

Mark Davies
Relationship Manager, Local Government

CCLA

Senator House | 85 Queen Victoria Street | London | EC4V 4ET | Direct line 0207 489 6045 | Mobile 07904 657 815
Website www.ccla.co.uk

The Public Sector Deposit Fund/CCLA:

- CCLA (Churches, Charities & Local Authorities) is a mutually owned firm of investment managers, owned by LAMIT (Local Authorities Mutual Investment Trust), the Church of England (Central Board of Finance) Investment Fund and the Charities (COIF) Investment Fund;

- we have 36,000+ clients and manage £9.5bn of cash and investments;

- the Local Government Association invited us to develop the Fund in collaboration with the sector, as a result of the Icelandic banking crisis. It was launched in May 2011;

- it is an AAAmmf rated (Fitch Ratings) money market fund with the priorities of security, liquidity and yield;

- the Fund boasts strong governance with an Advisory Board made up of representatives of the LGA, CIPFA and treasury specialists from the sector, including representatives of the LB of Waltham Forest and the GLA;

- transparency is key with everything published on CCLA's website - https://www.ccla.co.uk/investment-solutions/fund/the-public-sector-deposit-fund. You will find the latest yield (0.7105%, net of fees at close of business on 05/09/2019), yield history, counterparty exposure, fund size, outstanding transactions by maturity date, etc - all updated at close of business each day;

- the Fund is managed on a very conservative basis (beyond the requirements of AAAmmf rating), only using plain cash products and instruments with well rated (minimum F1 short term) banks: call; term and certificates of deposit - the kind of products that Councils themselves feel comfortable using. There is no exposure to the stock market, derivatives, other funds, asset backed securities - nothing exotic;

- the minimum initial investment is just £25,000 so there are a number of parish and town councils making use of the Fund, besides principal authorities;

- access is same day. We have an 11:30 cut-off time for instructions;

- the Fund has exceeded £500m under management with 500+ clients (including 22 County/unitary Councils, 330+ Parish, Town and Community Councils and 90+ District/Borough Councils, Police, Fire plus the LGA, NALC, 6 County Associations, SLCC, NILGA, 3 Port Authorities and 2 crematoriums), a trigger point for the activation of additional share classes. However, the minimum requirement for share class 4 investors (£15m) has been waived for the time being to allow all investors to take advantage of the lowest fee and most favourable yield, highlighted above. The yield we quote on-line is net of all fees;

- finally, as the Fund grows and a dividend payment would be due to LAMIT, it has been agreed to reduce fees in the true spirit of mutuality. As a share class 4 investor the fee is currently 0.08%, reduced from 0.10% in November 2015.

The Public Sector Deposit Fund is a short term LVNAV Qualifying Money Market Fund. This change from the previous Constant Net Asset Value (CNAV) structure is the result of European reforms intended to replicate some of the utility of the previous CNAV funds but with greater sensitivity to market pricing and extra controls built into the fund structure to protect investors. The Fund is not covered by the Financial Services Compensation Scheme, nor is it a guaranteed investment. An investment in the Fund is different to an investment in deposits and Investors may not get back what was invested. The risk of loss is borne by the Investor. The Fund does not rely on external support for guaranteeing liquidity or stabilising the share price. Further information can be found in the Scheme Prospectus.

The Local Authorities' Property Fund

There are currently 249 authorities investing £1.175bn, including 97 Parish and Town Councils. I have attached the 31/06/19 fact-sheet. The latest yield is 4.25% (August '19).

Please be aware and note the following:

- Council must be comfortable with a long-term view, ideally 5+ years;
- The costs associated with property investment are high. The Fund has a bid/offer spread of 8.3%, made up of stamp duty (5%) plus legal, agents and valuation fees – all the costs associated with buying commercial property. None of these costs are levied by CCLA. Our management charge is 0.65% p.a. taken from income before the distributions are paid to you;
- The impact of costs is severe. If you invested £100k this month and sold next you would take the full hit of the spread and get less than £92k back, assuming no change in capital values. This is a key reason why the sector is a sensible choice only for those able to commit for a multi - year period;
- Capital values will move around due to sentiment and external factors in the market (Brexit, election result, etc). However, due to the unique accounting treatment available to local authorities and councils, you hold the asset at cost, not current value. The market value only comes in to play when you sell. It should be noted that CCLA does not provide advice in these matters and therefore your capacity to utilise this accounting treatment should be independently verified;
- Only professional investors are eligible to invest in the Fund. Parish and Town Councils do not meet the criteria but may be eligible to be opted-up to elective professional status following a qualitative and quantitative

assessment by an independent financial adviser (“IFA”). CCLA can provide you with the details of an IFA who charges £395 to prepare a suitability report;

- Income is not guaranteed but we believe that it is solidly based. The portfolio is well diversified - we own more than 75 commercial properties – retail warehouses, industrial warehouses, offices, car showrooms, Travelodges and just a few shops – and have 200 tenants, including M&S IT HQ, Astra-Zenaca, DHL, Rolls-Royce, Peugeot, Royal Mail, B&Q, John Lewis Home, etc;
- CCLA is part-owned by LAMIT (Local Authorities’ Mutual Investment Trust), a local government body whose Council members are appointed by the LGA. LAMIT is the Trustee of the Fund, representing investors and providing external oversight;
- Dealing is monthly, at month-end, and whilst we will endeavour to redeem units for a Parish or Town Council as long as cash is available, the Scheme Information allows us to reserve the right to suspend any redemption requests for up to 6-months, as we may need to sell an asset to meet withdrawal requests or to protect the interests of investors in the Fund.

COIF Charities Deposit Fund
Fund Fact Sheet – 30 September 2019

Investment objective
The Fund aims to provide a high level of capital security and a competitive yield.

Investment policy
The Fund is an actively managed, diversified portfolio of sterling denominated money market deposits and instruments. It will principally invest in sterling denominated Call Accounts, Term Deposits and Money Market Instruments, but may invest in other assets.

The Fund follows a client-driven ethical investment policy.

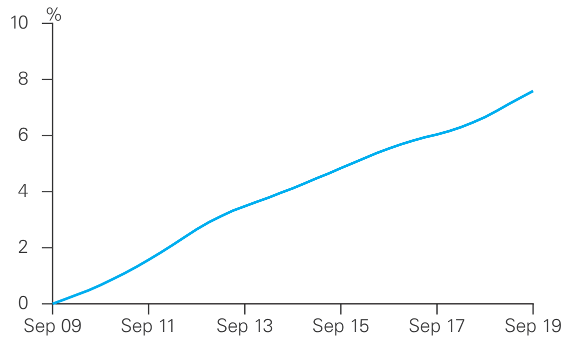
Suitability
The Fund is suitable for all of a charity’s short-term investments where they are seeking a high level of capital security and a competitive rate of interest.

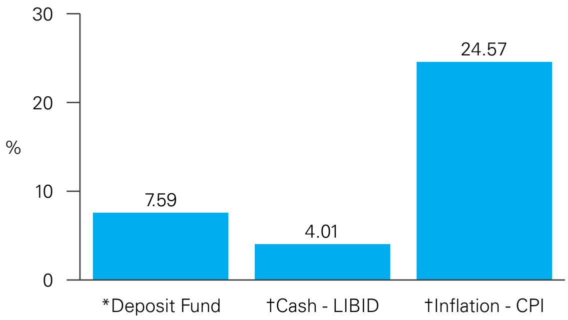
Who can invest?
Any charitable organisation defined within the Charities Act 2011 can invest in the Fund, provided its powers permit.

Responsible investment policy
We monitor our counterparties' environmental, social and governance risk management on a regular basis. Our research utilises external data resources and our in-house Ethical and Responsible Investment Team.

Fund update
The prime objective of the Fund is to provide a secure home for capital combined with daily liquidity and a competitive rate of interest. The portfolio is actively managed with strong risk controls. It invests only with high-quality counterparties and holds only cash deposits and assets such as CDs.

Cumulative total return from 30/09/09*





Yield as at 16th October 2019
0.5871% A.Y. ◆

*Source: CCLA – Gross performance shown before management fees and other expenses; net returns will differ after the deduction of management fees and other expenses. The daily rate on the Fund will fluctuate and past performance is no guarantee of future returns. Deposits in the Fund are not covered by the Financial Services Compensation Scheme.

† Source: CCLA

◆ A.Y. = Annualised Yield, which illustrates what the annual yield would be if the monthly income distributions were compounded over the year.

Income

Average yield over the quarter	0.5882% (0.5898% A.Y.)*
Yield at the quarter end	0.5974% (0.5991% A.Y.)*

* A.Y. = Annualised Yield, which illustrates what the annual yield would be if the monthly income distributions were compounded over the year.

Discrete year total return performance (gross)

12 months to 30 September	2019	2018	2017	2016	2015
COIF Charities Deposit Fund	+0.87%	+0.59%	+0.47%	+0.67%	+0.69%
Benchmark	+0.58%	+0.38%	+0.12%	+0.33%	+0.36%

Annualised total return performance (gross)

Performance to 30 September 2019	1 year	3 years	5 years
COIF Charities Deposit Fund	+0.87%	+0.64%	+0.66%
Benchmark	+0.58%	+0.36%	+0.35%

Benchmark – London Interbank Sterling 7 Day Bid Rate. Gross performance shown before management fees and other expenses with gross income reinvested: net returns will differ after the deduction of management fees and other expenses. Past performance is no guarantee of future returns. Source: CCLA

Key facts

Fund size	£1,311m
Fitch Fund rating	AAAmmf
Weighted average maturity (Maximum 60 days)	54.84 days
Launch date	March 1985
Minimum initial investment	£0.01
Minimum subsequent investment	£0.01
Dealing day	Each business day*
Withdrawals	On demand
Interest payment dates	Monthly
Annual management charge (taken 100% from income)	0.20%

* Dealing instructions and cleared funds must be received by 9.30 am.

Risk warning and disclosures

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. To ensure you understand whether our product is suitable, please read the Scheme Particulars and consider the risk factors identified therein. We strongly recommend you seek independent professional advice prior to investing. Under the EU Money Market Fund Regulation 2017/1131, the COIF Charities Deposit Fund is categorised as a short-term LVNAV Money Market Fund. In addition to the general risk factors outlined in the Scheme Particulars, Depositing Charities should also note that making deposits in the COIF Charities Deposit Fund is not the same as making a deposit with a bank or other deposit taking body and is not a guaranteed investment. Although it is intended to maintain a constant net asset value, there can be no assurance that it will be maintained. Notwithstanding the policy of investing in short-term instruments, the value of the deposits may also be affected by fluctuations in interest rates. The COIF Charities Deposit Fund does not rely on external support for guaranteeing the liquidity of the fund or stabilising the net asset value. The risk of loss of principal is borne by the Depositing Charity. Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Any forward looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. Investment in the Fund is only available to charities within the meaning of section 1(1) of the Charities Act 2011. Investments and Deposits in the Fund and the Fund are not covered by the Financial Services Compensation Scheme (FSCS). The Fund is approved by the Charity Commission as a Common Deposit Fund under section 25 of the Charities Act 1993 (as has been replaced by the Charities Act 2011) and is an Unregulated Collective Investment Scheme and an unauthorised Alternative Investment Fund. The company CCLA Fund Managers Limited (registered in England & Wales No. 8735639 at Senator House, 85 Queen Victoria Street, London, EC4V 4ET) is authorised and regulated by the Financial Conduct Authority and is the manager of the COIF Charity Funds (Registered Charity Nos. 218873, 803610, 1046249, 1093084, 1121433 and 1132054). For information about how we obtain and use your personal data please see our Privacy Notice at https://www.ccla.co.uk/our-policies/data-protection-privacy-notice.

The Local Authorities' Property Fund
Prices and Dividend Yields

CCLA

End of	Dec-19	Nov-19	Oct-19	Sep-19	Aug-19	Jul-19	Jun-19	May-19	Apr-19	Mar-19	Feb-19	Jan-19
Offer Price p	322.70	322.32	323.45	324.35	324.90	326.10	327.66	328.16	327.19	327.40	328.01	328.84
Net Asset Value p	302.30	301.94	303.00	303.84	304.36	305.48	306.94	307.41	306.50	306.70	307.27	308.04
Bid Price p	297.61	297.26	298.30	299.13	299.64	300.75	302.19	302.64	301.75	301.95	302.51	303.27
Dividend~ on XD Date p	3.19			3.45			3.15			3.31		
Dividend~ - Last 12 Months p	13.10	13.22	13.22	13.22	12.94	12.94	12.94	13.08	13.08	13.08	12.98	12.98
Dividend Yield on NAV %	4.33	4.38	4.36	4.35	4.25	4.24	4.22	4.25	4.27	4.26	4.22	4.21
Fund Size £m	1200.1	1191.1	1177.3	1173.1	1174.2	1174.9	1178.2	1174.9	1150.9	1127.1	1105.9	1102.2

~ Please note this is a provisional dividend.

Source: CCLA

Risk Warning

Please remember that the value of units and the income from them can fall as well as rise and an investor may not get back the full amount invested. Past performance is no guarantee of future returns. The Property Fund's unit value will reflect fluctuations in property values and rents. The units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. They are realisable only on each month end valuation date and a period of notice may be imposed for the redemption of units.

CCLA FUND MANAGERS LIMITED

Senator House

85 Queen Victoria Street

London EC4V 4ET

Telephone: 0800 022 3505

www.ccla.co.uk

03/01/2020 18:35

CCLA

The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AAAmmf
Fact Sheet – 31 December 2019

Investment objective

To maximise the current income consistent with the preservation of capital and liquidity.

Investment policy

The Fund will be invested in a diversified portfolio of high quality sterling denominated deposits and securities. All investments purchased will have the highest available short term credit rating and a correspondingly strong long term rating.

The weighted average maturity of the investments will not exceed 60 days. There will be no exposure to derivatives or to other collective investment schemes.

Suitability

The Fund is a suitable investment for all public sector short term investments where the requirement is for a high level of capital security and a competitive rate of interest.

Who can invest?

The Fund is open to all public sector investors.

Responsible investment policy

We monitor our counterparties' environmental, social and governance risk management on a regular basis. Our research utilises external data resources and our in-house Ethical and Responsible Investment Team.

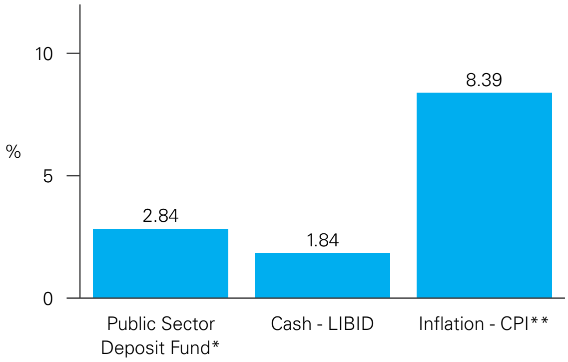
Key risks

Investors should consider the following risk factors before investing: Issuer/Credit Risk (issuer/financial institution may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Maturity Profile (timings of investment maturity), Liquidity Risk (investment in non-readily realisable assets), Concentration Risk (need for diversification and suitability of investment) and Interest Rate Risk (changes to interest rate affecting income). Please see the Fund Prospectus for further details.

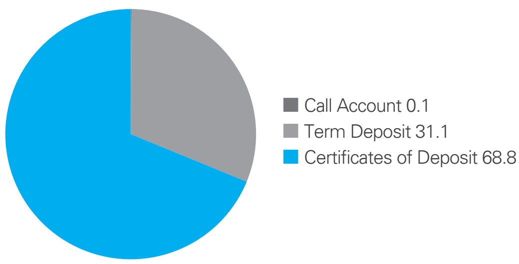
Share class 4 yield as at 31 December 2019

0.7267%

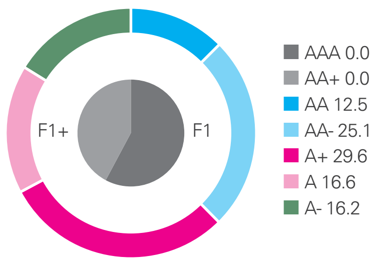
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 counterparty exposures (%)

9.4	DBS Bank Limited
9.4	Royal Bank of Canada
7.6	Landesbank Baden-Wuerttemberg
4.7	National Bank of Canada
4.7	Standard Chartered Bank plc
4.5	Barclays Bank plc
4.5	Leeds Building Society
4.5	Nordea Bank AB
4.5	Sumitomo Mitsui Banking Corporation Europe
4.5	Toronto Dominion Bank (The)

Top 10 country exposures (%)

28.0	UK
18.7	Canada
11.3	Germany
11.3	Japan
11.3	Singapore
6.3	France
4.5	Finland
4.3	United States
3.0	Sweden
0.6	Netherlands

*Source: CCLA - Gross performance shown before management fees and other expenses with gross income reinvested. Net returns will differ after the deduction of fees and other expenses. The yield on the Fund will fluctuate and past performance is no guarantee of future returns. Holders of the Fund are not covered by the Financial Services Compensation Scheme. **CPI is lagged one month. †Using Fitch Ratings methodology.

Income - period to end December

Average yield over the month	0.7175%
Yield at the month end	0.7267%

Discrete year total return performance (gross)

12 months to 31 December	2019	2018	2017	2016	2015
The Public Sector Deposit Fund	+0.83%	+0.65%	+0.32%	+0.48%	+0.52%
Benchmark	+0.58%	+0.46%	+0.16%	+0.27%	+0.36%
Relative	+0.25%	+0.19%	+0.16%	+0.21%	+0.16%

Annualised total return performance (gross)

Performance to 31 December	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.83%	+0.60%	+0.56%
Benchmark	+0.58%	+0.40%	+0.36%
Relative	+0.25%	+0.20%	+0.20%

Source: CCLA - Benchmark - London Interbank Sterling 7 Day Bid Rate. Gross performance shown before management fees and other expenses with gross income reinvested. Net returns will differ after the deduction of fees and other expenses. The yield on the Fund will fluctuate and past performance is no guarantee of future returns.

Market update

In the UK, data released in the period showed that economic activity remained flat in October, an outcome disappointing in itself but in fact an improvement after declines in both August and September. Again, the problem was mainly in manufacturing where month-on-month volatility in the data cannot disguise the underlying weak trend. Overall, on a regional basis London has been the most resilient area, with output up by c.1.1% over the year, in contrast it is over 1% lower in Northern Ireland, the worst performing area. Despite the trendless economy, unemployment dipped again, boosting the employed rate to 76.2%, made up of 80.4% for men and 72.0% for women. The total in-work rose to 32.8m. Against this, the number of vacancies fell again, for the 10th successive month, and has now dropped below 800,000. Inflation was unchanged at 1.5% and is likely to fall again in the new year if the recent bounce in the sterling exchange rate is maintained.

Data from the Office of National Statistics showed an 11% increase in household debt since the previous analysis, undertaken two years ago. The amount outstanding has risen to £120bn but this includes £32bn of student debt, the bulk of which will not be repaid. The Bank of England held the Official Base Rate at 0.75%, but said that it was prepared to respond to any negative effect on activity from a prolonged or difficult Brexit process by cutting borrowing costs.

Key facts

Fund size	£529m
Credit quality and sensitivity rating by Fitch	AAAmmf
Weighted average maturity (Maximum 60 days)	52.85 days
Launch date	May 2011
Minimum initial investment	£25,000
Minimum subsequent investment	£5,000
Dealing day	Each business day*
Withdrawals	On demand
Domicile	United Kingdom
ISIN Share Class 4	GB00B3LDFH01
Interest payment dates	Monthly
Ongoing charges figure	0.08%

*Dealing instructions must be received by 11.30 am.

Please Contact

Mark Davies
Market Development
T: +44 (0)207 489 6045
M: +44 (0)7904 657 815
E: mark.davies@ccla.co.uk

Kelly Watson
Market Development
T: +44 (0)207 489 6105
M: +44 (0)7879 553 807
E: kelly.watson@ccla.co.uk

Alison Jermey
Client Services
T: +44 (0)207 489 6011
E: alison.jermey@ccla.co.uk

STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

(3rd Edition)

Issued under section 15(1)(a) of the *Local Government Act 2003* and effective for financial years commencing on or after 1 April 2018

POWER UNDER WHICH THE GUIDANCE IS ISSUED

1. The following Guidance is issued by the Secretary of State under section 15(1)(a) of the *Local Government Act 2003.* Under that section local authorities are required to "have regard" to "such guidance as the Secretary of State may issue".

DEFINITION OF TERMS

2. In this guidance the ***2003 Act*** means the *Local Government Act 2003.*

3. **Local authority** has the meaning given in section 23 of the *2003 Act.* To the extent that this guidance applies to parish councils and charter trustees (see paragraph 11) a reference to a local authority includes those councils and trustees.

4. The definition of an **investment** covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

5. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include *pension funds* or *trust fund investments,* which are subject to separate regulatory regimes and therefore are not covered by this guidance.

6. A **credit rating agency** is one of the following three companies:
   - Standard and Poor's;
   - Moody's Investors Service Ltd; and
   - Fitch Ratings Ltd.

7. For the purposes of this guidance a **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

8. The **Treasury Management Code** means the statutory code of practice issued by CIPFA: *“Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, 2017 Edition”.*

9. The **Prudential Code** means the statutory code of practice, issued by CIPFA: *“The Prudential Code for Capital Finance in Local Authorities, 2017 Edition”.*

10. The **Capital Strategy** is the strategy required by the updates to the Prudential Code and Treasury Management Code.

APPLICATION

Effective date

11. This guidance applies for financial years commencing on or after 1 April 2018. It supersedes all previous editions of the Statutory Guidance on Local Authority Investments.

12. Strategies presented to Council or equivalent before 1 April 2018 but relating to 2018-19 and future financial years do not need to include all of the additional disclosures required by this edition of the guidance should it not prove practical or cost effective to do so. If a local authority chooses not to include the new disclosures in its 2018-19 Strategy, it must include the disclosures in full in the first Strategy presented to full Council or equivalent after 1 April 2018.

Local authorities

13. This guidance applies to all local authorities in England.

14. This guidance applies to parish councils and charter trustees, providing their total investments exceed or are expected to exceed £100,000 at any time during the financial year. Where a parish council or charter trustee expects its total investments to be between £10,000 and £100,000, it is encouraged to adopt the principles in this guidance.

KEY PRINCIPLES

Transparency and democratic accountability

15. For each financial year, a local authority should prepare at least one Investment Strategy (“the Strategy”). The Strategy should contain the disclosures and reporting requirements specified in this guidance.

16. The Strategy should be approved by the full council. For authorities without a full Council, the Strategy should be approved at the closest equivalent level. The

Secretary of State recommends that the Strategy should be presented for approval prior to the start of the financial year.

17. Where a local authority proposes to make a material change to its Strategy during the year a revised Strategy should be presented to full council or equivalent for approval before the change is implemented.

18. The Strategy should be publicly available on a local authority's website. Where a parish council or charter trustee does not maintain its own website, they should post a public notice detailing how local residents can obtain a copy of the Strategy, free of charge.

19. Where a local authority prepares a Capital Strategy in line with the requirements of the Prudential Code, a Treasury Management Strategy in line with the requirements of the Treasury Management Code, or any other publicly available document, the disclosures required to be included in the Strategy can be published in those documents instead of in the Strategy.

Contribution

20. Investments made by local authorities can be classified into one of two main categories:
    - Investments held for treasury management purposes; and
    - Other investments.

21. Where local authorities hold treasury management investments, they should apply the principles set out in the Treasury Management Code. They should disclose that the contribution that these investments make to the objectives of the local authority is to support effective treasury management activities. The only other element of this Guidance that applies to treasury management investments is the requirement to prioritise Security, Liquidity and Yield in that order of importance.

22. Local authorities should disclose the contribution that all other investments make towards the service delivery objectives and/or place making role of that local authority. It is for each local authority to define the types of contribution that investments can make and a single investment can make more than one type of contribution.

Use of indicators

23. The Strategy should include quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. This should include how investments are funded and the rate of return

received. Where investment decisions are funded by borrowing the indicators used should reflect the additional debt servicing costs taken on.

24. Local authorities should consider the most appropriate indicators to use, given their risk appetite and capital and investment strategies. Whilst this guidance does not prescribe specific indicators or thresholds, the indicators used should be consistent from year to year and should be presented in a way that allows elected members and the general public to understand a local authorities' total risk exposure from treasury management and other types of investment.

25. Where a local authority has entered into a long term investment or has taken out long term debt to finance an investment the indicators used should allow Councillors and the general public to assess the risks and opportunities of the investment over both its payback period and over the repayment period of any debt taken out.

Security, Liquidity and Yield

26. A prudent investment policy will have two underlying objectives:
    - **Security** – protecting the capital sum invested from loss; and
    - **Liquidity** – ensuring the funds invested are available for expenditure when needed.

27. The generation of **yield** is distinct from these prudential objectives. However, this does not mean that local authorities are recommended to ignore potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with these priorities.

28. When entering into treasury management investments, local authorities should consider security, liquidity and yield in that order of importance.

29. When entering into other types of investments local authorities should consider the balance between security, liquidity and yield based on their risk appetite and the contribution(s) of that investment activity.

Security

<u>Financial Investments</u>

30. Financial investments can fall into one of three categories:
    - **Specified investments**;
    - **Loans**; and
    - Other **Non-specified investments**.

<u>Specified Investments</u>

31. An investment is a specified investment if all of the following apply:
    - The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
    - The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
    - The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended].*
    - The investment is made with a body or in an investment scheme described as high quality (see paragraph 33 or with one of the following bodies:
        1. The United Kingdom Government;
        2. A local authority in England or Wales (as defined in section 23 of *the 2003 Act*) or a similar body in Scotland or Northern Ireland; or
        3. A parish council or community council.

32. For the purposes of paragraph 32 the Strategy should define high credit quality. Where this definition incorporates ratings provided by credit rating agencies paragraph 42 is relevant.

<u>Loans</u>

33. A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

34. Local authorities can make such loans whilst continuing to have regard to this guidance if they can demonstrate in their Strategy that:
    - Total financial exposure to these type of loans is proportionate;
    - They have used an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 *Financial Instruments* as adopted by proper practices to measure the credit risk of their loan portfolio;
    - They have appropriate credit control arrangements to recover overdue repayments in place; and
    - The local authority has formally agreed the total level of loans by type that it is willing to make and their total loan book is within their self-assessed limit.

<u>Non-specified investments</u>

35. A non-specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment.

36. For non-specified investments (i.e. those not meeting the criteria in paragraph 31), the Strategy should:
    - Set out procedures for determining which categories of investments may be prudently used (and where these procedures involve the use of credit ratings, paragraph 32 is relevant).
    - Identify which categories of investments have been defined as suitable for use.
    - State the upper limits for the maximum amounts both individually and cumulatively that may be held in each identified category and for the overall amount held in non-specified investments and confirm that investments made have remained within those limits.

<u>Non-financial investments</u>

37. As defined in paragraph 4 of this guidance non-financial investments are non-financial assets that the organisation holds primarily or partially to generate a profit. Where a local authority holds a non-financial investment, it will normally have a physical asset that can be realised to recoup the capital invested. Local authorities should consider whether the asset retains sufficient value to provide security of investment using the fair value model in *International Accounting Standard 40: Investment Property* as adapted by proper practices.

38. Where the fair value of non-financial investments is sufficient to provide security against loss, the Strategy should include a statement that a fair value assessment has been made within the past twelve months, and that the underlying assets provide security for capital investment.

39. Where the fair value of non-financial investments is no longer sufficient to provide security against loss, the Strategy should provide detail of the mitigating actions that the local authority is taking or proposes to take to protect the capital invested.

40. Where a local authority recognises a loss in the fair value of a non-financial investment as part of the year end accounts preparation and audit process, an updated Strategy should be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

<u>Risk Assessment</u>

41. The Strategy should state the local authority’s approach to assessing risk of loss before entering into and whilst holding an investment, making clear in particular:

- How it has assessed the market that it is/will be competing in, the nature and level of competition, how it thinks that the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements.
- Whether and, if so how, a local authority uses external advisors be they treasury management advisors, property investment advisors or any other relevant persons.
- How the local authority monitors and maintains the quality of advice provided by external advisors.
- To what extent, if at all, any risk assessment is based on credit ratings issued by credit ratings agencies.
- Where credit ratings are used, how frequently they are monitored and the procedures for taking action if credit ratings change.
- What other sources of information are used to assess and monitor risk.

Liquidity

42. For financial investments that are not treasury management investments or loans the Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed and state what those maximum periods are and how the local authority will stay within its stated investment limits.

43. For non-financial investments the Strategy should set out the procedures for ensuring that the funds can be accessed when they are needed, for example to repay capital borrowed. It should also state the local authority's view of the liquidity of the investments that it holds, recognising that assets can take a considerable period to sell in certain market conditions. Where local authorities hold non-financial investment portfolios they can choose to assess liquidity by class of asset or at a portfolio level if appropriate.

Proportionality

44. Where a local authority is or plans to become dependent on profit generating investment activity to achieve a balanced revenue budget, the Strategy should detail the extent to which funding expenditure to meet the service delivery objectives and/or place making role of that local authority is dependent on achieving the expected net profit. In addition, the Strategy should detail the local authority's contingency plans should it fail to achieve the expected net profit.

45. The assessment of dependence on profit generating investments and borrowing capacity allocated to funding these should be disclosed as a minimum over the life-cycle of the Medium Term Financial Plan. However, an assessment of longer term risks and opportunities is recommended.

Borrowing in advance of need

46. Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

47. Where a local authority chooses to disregard the Prudential Code and this Guidance and borrows or has borrowed purely to profit from the investment of the extra sums borrowed the Strategy should explain:
    - Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and
    - The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

Capacity, skills and culture

48. The Strategy should disclose the steps taken to ensure that those elected members and statutory officers involved in the investments decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment, to assess individual assessments in the context of the strategic objectives and risk profile of the local authority and to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority.

49. The Strategy should disclose the steps taken to ensure that those negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.

50. Where appropriate the Strategy should comment on the corporate governance arrangements that have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority's corporate values.

ANNEX A – INFORMAL COMMENTARY ON THE STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

Power under which this Guidance is issued [paragraph 1]

1. The **Local Government Act 2003**, section 15(1), requires a local authority "…to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify…".

2. The guidance on investments in the main part of this document is issued under section 15(1) of the 2003 Act and authorities are therefore required to have regard to it. This part (**Annex A**) contains an informal commentary ("the commentary") on the Statutory Guidance.

3. Two codes of practice issued by the *Chartered Institute of Public Finance and Accountancy* (CIPFA) contain investment guidance which complements the MHCLG guidance. These publications are:
   - *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*
   - *The Prudential Code for Capital Finance in Local Authorities*

4. Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the *Local Authorities* (*Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] as amended.*

Objectives in updating the Guidance

5. The 2nd edition of this Guidance, which was issued in 2010, reflected concerns raised by the CLG and Treasury Select committees as part of their enquiries into the financial crash of 2007-8. The key areas of focus were:
   - The practice of investing for yield, especially in Icelandic Banks;
   - The need for transparent investment strategies; and
   - The use of Treasury Management advisors.

6. The changes made to the 3rd edition of this Guidance reflect changes in patterns of local authority behaviour. Some local authorities are investing in non-financial assets, with the primary aim of generating profit. Others are entering into very long term investments or providing loans to local enterprises or third sector entities as part of regeneration or economic growth projects that are in line with their wider role for regeneration and place making.

7. In addition, the National Audit Office and the Public Accounts Committee have raised a number of concerns about local authority behaviour that this guidance aims to address. These are:

    - Local authorities are exposing themselves to too much financial risk through borrowing and investment decisions;
    - There is not enough transparency to understand the exposure that local authorities have as a result of borrowing and investment decisions; and
    - Members do not always have sufficient expertise to understand the complex transactions that they have ultimate responsibility for approving.

Effective Date [paragraphs 11-12]

8. This Guidance applies from 1 April 2018. It supersedes all previous editions of the Guidance.

9. The Guidance requires local authorities to produce a number of additional disclosures. Many local authorities already produce these as part of internal reporting and risk management procedures. However, if these disclosures are not currently produced, then local authorities do not need to prepare them in full for Strategies presented to full Council or equivalent before 1 April 2018. Those local authorities who do not include the required disclosures in their 2018-19 strategies, should present them for approval the first time the relevant Strategy is updated or superseded.

Local Authorities [paragraphs 12-13]

10. This Guidance applies to all local authorities, who hold or during the next financial year intend to hold financial or non-financial investments, solely or in part to generate revenue income.

11. It applies to parish councils whose investments exceed the thresholds set out in paragraph 14. The decision to lower the financial threshold for parish councils has been taken in recognition that some parishes have begun to engage in commercial ventures. As parish councils tend to be fairly small and to obtain a greater percentage of their funding directly from council tax payers than other types of local authority, it is right that they demonstrate that they have carefully considered the expertise that they need to manage the risks arising from their strategy.

Transparency and democratic accountability [paragraphs 15-19]

12. The Government believes that local authorities need to be better at explaining "why" not just "what" they are doing with their investment activity. That means that the sector needs to demonstrate more transparency and openness and to

make it easier for informed observers to understand how good governance and democratic accountability have been exercised.

13. The additional disclosures required by the Guidance should be included in a single document presented to full Council or the equivalent. Although the Guidance refers to an Investment Strategy, providing that all of the disclosures are easy for interested parties to find and are in or linked from a single document, a separate Strategy does not need to be prepared. The Strategy should be updated at least annually.

14. Subject to the provisions in paragraph 35 and 36 of the commentary, local authorities can exclude specific non-financial investments from the required disclosures on grounds of commercial confidentiality. The Government expects that non-disclosure on grounds of commercial confidentiality will be an exceptional circumstance. A local authority should only determine that it would breach commercial confidentiality to include an investment in the disclosures on receipt of appropriate professional advice, using the same criteria as would be used to exclude the public from a Council meeting. Local authorities should reassess whether the commercial confidentiality test is met every time a new Strategy is presented to full Council or the equivalent.

15. Under Regulation 17 of the *The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012* as amended overview and scrutiny committee members have right of access to any confidential information relating to any decision by any committee or any member of the executive of their council. Nothing in this Guidance has the power to override this regulation.

16. Assets that generate revenue income solely through fees and charges for discretionary services levied under Section 93 of the *Local Government Act 2003* should not be classified as non-financial investments for this purpose.

17. If disclosures are already produced in another document that is publicly available then a local authority can provide a link to the disclosures from the Strategy rather than reproducing them. The exception is disclosures contained in the Statutory Accounts, which do not meet the requirements of this Strategy. This is because local authority statutory accounts can be complex and difficult for users who are not familiar with local government accounting to understand and statutory accounts are prepared to a higher level of materiality than local authorities should use for internal risk management.

<u>Contribution [paragraphs 20-22]</u>

18. Local authorities may have several different objectives, when deciding to acquire an asset. If an asset is not solely held for yield, then a local authority may have a different risk appetite or be willing to accept a lower return than it otherwise would.

19. Each local authority should determine how it categorises different types of contribution, and each investment can have more than one type of contribution. A non-exhaustive list of types of contribution include:
    - Yield/profit
    - Regeneration
    - Economic benefit/business rates growth
    - Responding to local market failure
    - Treasury management

20. Where a local authority classifies an investment as contributing to regeneration or local economic benefit, it should be able to demonstrate that the investment forms part of a project in its Local Plan.

<u>Use of indicators [paragraphs 23-25]</u>

21. Local authorities should present a range of indicators to allow members and other interested parties to understand the total exposure from borrowing and investment decisions. The indicators should cover both the local authority's current position and the expected position assuming all planned investments for the following year are completed. The indicators do not need to take account of Treasury Management investments unless these are expected to be held for more than 12 months.

22. The Guidance requires local authorities to develop quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. We recommend that, the indicators in the table below are used. Where local authorities have a different risk appetite or different expectation of returns depending on the contribution(s) each type of investment makes, they should consider presenting the indicators, classified by type of contribution or risk appetite.

Debt to net service expenditure (NSE) ratio	*Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.*
Commercial income to NSE ratio	*Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.*
Investment cover ratio	*The total net income from property investments, compared to the interest expense.*
Loan to value ratio	*The amount of debt compared to the total asset value.*
Target income returns	*Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.*
Benchmarking of returns	*As a measure against other investments and against other council's property portfolios.*
Gross and net income	*The income received from the investment portfolio at a gross level and net level (less costs) over time.*
Operating costs	*The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.*
Vacancy levels and Tenant exposures for non-financial investments	*Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is productive as possible.*

23. Where appropriate, local authorities should consider including targets or limits set by members alongside the outturn. Where there has been a significant change in year on year performance against any of the indicators presented local authorities should include an explanation in the Strategy.

24. Local authorities can choose to present additional indicators in the Strategy should they believe that it would enhance understandability and transparency to do so.

<u>Security, liquidity and yield [paragraphs 26-29]</u>

25. For treasury management and other financial investments local authorities should continue to prioritise **SECURITY, LIQUIDITY** and **YIELD** in that order of importance.

26. Whilst consideration of **security** and **liquidity** is important for loans and non-financial investments, the relative balance between objectives may be different depending on the nature and objectives in making a specific investment.

Security and liquidity

Loans [paragraphs 33 – 34, 40]

27. Loans to joint ventures, local SMEs or third sector bodies, and wholly owned companies fall within the scope of the Guidance. When considering security and liquidity of loans local authorities should set limits for their total exposure and apply the expected loss model in line with the requirements of *IFRS 9 Financial Instruments*.

Non-financial investments [paragraphs 37-40, 43]

28. Where a local authority has a non-financial investment, it will have an asset that can be realised to recoup the sums invested. Therefore, the Guidance requires local authorities to consider security by reference to the value of the asset relative to purchase price and to set out the plans to recoup the investment if realising the asset would not recoup the sums invested. In the period immediately after purchase, it is normal for the directly attributable costs of purchasing an non-financial investment to be greater than the realisable value of the asset. In this scenario, all the Strategy needs to disclose is how long the local authority expects it to take for the increase in asset values to provide security for the sums invested and the assumptions underpinning that expectation.

29. Non-financial investments are by their nature illiquid. However, this does not mean that the local authority does not need to plan for realising a part of its non-financial investment portfolio, for example to repay debt. The liquidity of the non-financial investment portfolio should be considered over the repayment period of any debt taken out to acquire assets, which could be very long term. Given current trends such as the scale and pace of technology driven change, there is no guarantee that non-financial investments will continue to deliver value over their lifetime. To manage this risk, local authorities need to have plans to realise the capital tied up in non-financial investments if required. In addition, the Strategy should consider the trade-offs between accepting capital loss and refinancing debt incurring additional debt servicing costs by doing so, if appropriate.

Proportionality [paragraphs 44-45]

30. Local authorities need to consider the long term sustainability risk implicit in becoming too dependent on commercial income or in taking out too much debt relative to net service expenditure.

31. In addition, whilst under statute, local authority debt is secured on the revenues of that authority, in practice, there is no realistic prospect of the revenues of any local authority being sufficient to pay back debt equating to many multiples of the sum of NNDR and Council Tax Income, without a pervasive and long term impact on service delivery. It is unclear whether local authorities who have adopted a debt financed commercial investment strategy have realistic plans to manage failure. Whilst the Government recognises the importance of local authorities taking on debt to enhance service provision, irrespective of the source of finance, it does not believe that it should do the same for commercial investments.

32. For this reason, the Guidance introduces a new requirement that in every local authority, full council or its nearest equivalent, sets limits that cannot be exceeded for gross debt compared to net service expenditure, and for commercial income as a percentage of net service expenditure.

33. If a local authority has exceeded these limits through investments taken out prior to the introduction of this Guidance, it does not need to dispose of investments currently held. However, authorities who have exceeded their self-assessed limits should not enter into any further investments, irrespective of how these are financed, other than short term investments required for efficient treasury management.

<u>Borrowing in advance of need [paragraphs 46-47]</u>

34. The Prudential Code, issued by CIPFA has always contained a statement that local authorities should not borrow more than, or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The purpose of repeating that statement in this Guidance is to make it clear that it extends to borrowing taken on to finance the acquisition of non-financial as well as financial investments.

35. Local authorities can still finance the acquisition of financial on non financial investments from capital receipts generated from the sale of surplus assets. However, they should not repurpose receipts allocated to the acquisition of assets that contribute to service delivery to fund the purchase of investments, solely to avoid the requirements against borrowing in advance of need.

36. If exceptionally a local authority, chooses not to have regard to the provision on borrowing to fund investment activity the Guidance requires them to explain, in their Strategy, the rationale for this decision.

37. The purpose of this disclosure is to allow external auditors, tax payers and other interested parties to understand why the local authority has chosen to disregard

the Guidance, and to hold the authority to account should they believe there is not sufficient reason for doing so.

Capacity, Skills and Culture [paragraphs 48-50]

38. In the Public Accounts Committee report of 18 November 2016[1], members raised concerns that, locally elected members may not always have the background and expertise to understand the risks associated with the decisions that they are being asked to make. For this reason the Guidance extends the requirements on capacity and skills to members and any statutory officers involved in or responsible for signing off on investment decisions.

39. Members do not necessarily need formal training in understanding investment risks to satisfy the requirements of the Guidance. Depending on their level of expertise a presentation setting out the risks and opportunities of an investment strategy/specific investment in terms a layman would understand, may be sufficient to meet the new requirements.

40. The Government is aware that many local authorities have brought in outside expertise to identify and negotiate investment opportunities. Whilst this can be an effective method of risk management, it is important that those negotiating deals understand that they are not operating in a purely commercial environment and that the prime purpose of a local authority is to deliver statutory services to local residents. Therefore, the Strategy should comment on how they have been made aware of this.

[1] https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2015/financial-sustainability-local-authorities-16-17/

MINUTES OF THE FINANCE & PREMISES COMMITTEE HELD ON THURSDAY 12 DECEMBER 2019

Present were Councillors:	P. Swift (Chair), D Ogle, J Brownrigg, G Lakin, J Housley, T Bawden, K Guest and V Bowden
In attendance:	K Mann (Advisor to Council)

The meeting was recorded on behalf of the Council.

80. **To receive apologies for absence from members and to consider the reasons for absence**

None

81. **Declarations of personal and/or disclosable pecuniary interests from members**

Cllr Bawden declared an interest in item 90.3 - Angram Bank Youth Club.

RESOLVED: That Cllr Bawden would leave the meeting when item 90.3 was discussed.

82. **To identify items for discussion which may require the exclusion of the press and public**

Items 88 onwards would be considered in confidential session.

83. **Minutes of the previous meeting of the Finance & Premises Committee held on the 13 November 2019 for information.**

The committee noted the minutes.

RESOLVED: That the minutes of the previous Finance & Premises Committee held on the 13 November 2019 be noted.

84 **Accounts**

84.1 **Income and Expenditure Report and Bank Reconciliation**

The new income and expenditure report format was clear and much easier to understand. The advisor was asked to provide a breakdown and balance of the grants awarded this current year and also a breakdown of the archiving project costs to date for the next Finance & Premises meeting on the 23 January 2020.

RESOLVED: That

i) the Income and Expenditure and Bank Reconciliation reports be noted;
ii) a breakdown and balance to date of the grants awarded 2019/20 be provided to the next Finance & Premises meeting on the 23 January 2020; and
iii) a breakdown and balance to date of the archive project costs 2019/20 to be provided to the next Finance & Premises meeting on the 23 January 2020

84.2 **Community Infrastructure Levy (CIL) Annual Report to Sheffield City Council**

The CIL annual report was considered. It was agreed to send off the report to Sheffield City Council. The Advisor updated that they were checking whether the parish council was due any S106 funding and an update would be provided to Council on the 9 January 2020.

RESOLVED: That

i) the CIL Annual Report be approved and send to Sheffield City Council;
ii) the advisor to council chase Sheffield City Council for an update on outstanding S106 funding

84.3 Chairman’s Chain – Ingots

A deposit of £167.75 was paid and the balance outstanding of £100.00 will be paid upon collection of the ingots. Once these ingots are placed on the chain then a new chain would need to be purchased 2019/20. The Ceremonial Chain and a glass display cabinet should be discussed at the next Council meeting.

RESOLVED: That the Chairman’s Chain and glass display cabinet be considered at the Council meeting on the 9 January 2020.

85 **Budget and Precept 2020/21**

Councillors discussed the Scottish Widows Bank - capital investment and balance of £144,841.46. It was agreed that the following would be taken from this capital reserve:

- Refurbishment of the community centre - £25,000
- Defibrillator cabinets - £2,500
- David Chadwick Centre - £40,000

After these allocations the balance would be £77,341.46 in the Scottish Widows Bank Account.

It was suggested that at Year End the balance in the general reserves be moved into the Unity Trust Current Account.

The proposed budget spreadsheets were discussed, by heading. The Advisor was asked to record some of the votes as follows;

- Grants - £45,000 proposed Cllr Guest, seconded Cllr Swift – 6 councillors approved, Cllrs Ogle and J Brownrigg voted against the proposal.
- Cllr Ogle abstained from voting on the budget for the toilets, election costs, defibrillators, contingency and salaries
- Cllr Bowden abstained from voting for the increase to Chapelgreen Advice Centre from £7000 - £9000 a year.
- Cllrs Guest, Housley and Bowden abstained from voting on the Community Liaison function

The potential sites for the new defibrillators would be discussed at the next Finance & Premises meeting on the 23 January 2020.

Cllr J Brownrigg left the meeting at 8.30pm

The final proposed budget for 2020/21 would be £275,300 and the proposed precept would be £263,622 plus £4,113 of Council Tax Support Grant.

The Advisor would update the final proposal spreadsheet and circulate it to all members of the committee in attendance by email for checking before being presented to Council on the 9 January 2020.

RECOMMENDATION TO COUNCIL: That

i) **the proposed budget for 2020/21 from Finance & Premises Committee is considered and the precept notification be sent to Sheffield City Council by mid January 2020 as requested; and**
ii) **at Year End any funds left in the General Reserves be transferred into Unity Trust Bank Account**

86 **Asset Register and Inventory Register**

The asset register was considered and the layout and information was agreed.

RESOLVED: That the Asset Register 2019/20 be approved

87 **Policies Review**

Expenses Policy

The expenses policy was considered. It was agreed that the reimbursed rate of £18.00 per month for heat, light and electricity whilst any staff were working from home, be included in the policy and the policy be adopted.

RECOMMENDATION TO COUNCIL: That the Expenses Policy include a reimbursement rate of £18.00 per month to the Clerk when they work from home.

The committee approved the motion to discuss confidential matters in private.

88. **Confidential Matters**

89. **Contract Update**

89.1 The list of current contracts were reviewed by the committee. The contract for Talk Talk was renewed in July 2019 so the review date should be July 2021. 1st Call Com is out of the contract – 3 quotes are needed for the new telephone service/maintenance contract and/or replacement telephone system due to the increased out of contract maintenance costs.

Resolved That

i) **the contracts list provided be noted;**
ii) **three quotations for the telephone system, including the service/maintenance contract that is currently with 1st Call Com be brought back to the next Finance & Premises meeting to be held on the 23 January 2020.**

89.2 Current IT Provision and renewal of the service contract had been considered by Council. The hourly rate for the current contractor is £38 per hour to service the PC's and to check that the information is backed up properly. The renewal will be deferred until the new IT equipment is considered at the next Council meeting.

Resolved: That

i) **the IT service contract with the current contractor continues on an hourly rate basis until the new IT equipment is in place and the service contract would be considered once the new equipment is installed; and**

ii) **The quotations for new IT equipment be provided to the next Council meeting on the 9 January 2020**

90. **Grant Funding**

The committee considered submitted grant applications as follows:

90.1 St Marys Playgroup grant application for £287.70

90.2 Paces Sheffield grant application for £2,796.00

90.3 Angram Bank Youth Club grant application for £1,673.37

Councillor Bawden left the meeting whilst the discussion regarding the Angram Bank Youth Club took place.

It was agreed that all the grant applicants be invited to attend the Finance & Premises committee meeting in future.

RECOMMENDATION TO COUNCIL: That

i) **all the grants be approved; and**

ii) **all grant applicants be invited to attend the Finance & Premises meeting in future and be given 10 mins to present to the committee**

91. **Closure of the meeting and dates of future meetings.**

The Chair thanked all for attending. The Chair resigned from the role of Chair but wished to remain a member of the committee. The first item on the agenda for the next meeting would be to appoint a Chair.

The date of the next meeting is 23 January 2020

Bank Reconciliation Statement as at 31/12/2019
for Cashbook 2 - Cooperative Imprest Account

Bank Statement Account Name (s)	Statement Date	Page No	Balances
Cooperative Imprest Account	31/12/2019	561	36,406.26
			36,406.26
Unpresented Cheques (Minus)		Amount	
		0.00	
			0.00
			36,406.26
Receipts not Banked/Cleared (Plus)			
		0.00	
			0.00
			36,406.26
		Balance per Cash Book is :-	36,406.26
		Difference is :-	0.00

Bank Reconciliation Statement as at 31/12/2019
for Cashbook 1 - Current Account

Bank Statement Account Name (s)	Statement Date	Page No	Balances
Current Account	31/12/2019	709	58,569.36
			58,569.36

Unpresented Cheques (Minus)			Amount	
14/11/2019	CHQ	Burncross Action Team	150.00	
26/11/2019	BACS	Supake Ltd	624.00	
26/11/2019	CHQ	Grenoside Community Primary	350.00	
06/12/2019	400898	Chapeltown Musical Theatre	1,200.00	
				2,324.00
				56,245.36

Receipts not Banked/Cleared (Plus)				
			0.00	
				0.00
				56,245.36
			Balance per Cash Book is :-	56,217.87
			Difference Excluding Adjustments is :-	27.49

Adjustments to Reconciliation				
18/07/2019	ent twic	Entered twice in error	27.49	
				27.49
			Unreconciled Difference is :-	0.00

To: Finance & Premises Committee

From: Advisor to Council

Date: 23 January 2020

Title: Income and Expenditure Report update

The Detailed Income and Expenditure Report is provided giving an update on the actual income and expenditure up to 31 December 2019 as well as the current budget 2019/20.

Provided below is an explanation of some of the coding on the report:

1999 – Other Income

CIL funding received May 2019 (630.00)

Return of grant funding for VAT claimed but not needed. (£134.24)

Archive Project sales – calendars and postcards. (£222.00)

An additional Income code has been set up for the Archive Project income and this will be included in the January Income and Expenditure report.

4310 - Council Tax

The Business Rates for the old Chapeltown Baths site was paid on the 4 October 2019

Recommendation: That the committee receive the update report along with the Income and Expenditure Detailed report up to 31 December 2019

Detailed Income & Expenditure by Budget Heading 31/12/2019

Committee Report

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
COUNCIL								
100	Administration							
1076	Precept	155,374	155,374	0			100.0%	
1077	Council Tax Support Grant	5,141	5,141	(0)			100.0%	
1090	Interest Received	10	100	90			10.0%	
1100	Grants & Donation Received	0	500	500			0.0%	
1110	Room Hire	3,826	2,000	(1,826)			191.3%	
1120	Grenoside War Memorial	0	500	500			0.0%	
1999	Other Income	853	0	(853)			0.0%	
	Administration :- Income	165,205	163,615	(1,590)			101.0%	0
4191	Professional fees	201	0	(201)		(201)	0.0%	
4215	Auditors fees	1,650	0	(1,650)		(1,650)	0.0%	
	Administration :- Direct Expenditure	1,851	0	(1,851)	0	(1,851)		0
4000	Staff Salary	18,976	63,000	44,024		44,024	30.1%	
4010	Tax & NI	974	4,000	3,026		3,026	24.4%	
4020	Pensions	3,887	5,000	1,113		1,113	77.7%	
4030	Staff Travel and Subsistence	(19)	1,500	1,519		1,519	(1.2%)	
4100	Staff Training	1,105	2,000	895		895	55.3%	
4110	Councillor Training	2,616	3,000	384		384	87.2%	
4111	Councillor Travel and Subsiste	60	1,000	941		941	6.0%	
4120	Chairmans Allowence	910	800	(110)		(110)	113.8%	
4130	Printing & Photocopying	298	1,500	1,202		1,202	19.9%	
4140	Stationery	1,385	8,250	6,865		6,865	16.8%	
4150	Consumables	419	2,500	2,081		2,081	16.8%	
4160	Postage	177	500	323		323	35.4%	
4170	IT Support	532	6,000	5,468		5,468	8.9%	
4180	Insurance	1,688	2,500	812		812	67.5%	
4190	Subscriptions and Memberships	3,504	4,500	996		996	77.9%	
4195	Advertising	1,688	2,000	312		312	84.4%	
4196	Publicity/promotion	126	950	824		824	13.3%	
4200	Website	1,151	2,000	849		849	57.5%	
4210	Consultancy	21,315	25,000	3,685		3,685	85.3%	
4211	Accommodation	99	1,000	901		901	9.9%	
4220	Grants Paid	22,764	30,000	7,236		7,236	75.9%	
4230	Grants s.137	7,998	10,000	2,002		2,002	80.0%	
4240	Elections	14,981	25,000	10,019		10,019	59.9%	
4250	Archiving Project	4,467	7,205	2,738		2,738	62.0%	
4999	Sundry Expenses	(6)	50	56		56	(13.0%)	
	Administration :- Indirect Expenditure	111,095	209,255	98,160	0	98,160	53.1%	0
	Net Income over Expenditure	52,258	(45,640)	(97,898)				

Continued over page

Detailed Income & Expenditure by Budget Heading 31/12/2019

Committee Report

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
110	Premises							
4300	Telephone	813	3,000	2,187		2,187	27.1%	
4301	Broadband	262	500	238		238	52.5%	
4310	Council Tax	15,599	1,000	(14,599)		(14,599)	1559.9%	
4320	Gas	976	1,750	774		774	55.8%	
4330	Electric	845	1,750	905		905	48.3%	
4340	Water	234	1,000	766		766	23.4%	
4350	Waste Disposal	445	1,500	1,055		1,055	29.6%	
4360	Cleaning Materials	12	2,500	2,488		2,488	0.5%	
4370	Repairs & Renewals	574	5,000	4,426		4,426	11.5%	
4380	Maintenance/Service	4,042	5,000	958		958	80.8%	
4390	Health & Safety	0	1,301	1,301		1,301	0.0%	
4400	Defibrillators	2,655	3,950	1,295		1,295	67.2%	
4500	Office Equipment	2,951	6,500	3,549		3,549	45.4%	
4999	Sundry Expenses	39	50	11		11	77.1%	
	Premises :- Indirect Expenditure	29,447	34,801	5,354	0	5,354	84.6%	0
	Net Expenditure	(29,447)	(34,801)	(5,354)				
120	Public Toilets							
4070	Public Toilets	2,721	6,500	3,779		3,779	41.9%	
4330	Electric	291	1,750	1,459		1,459	16.6%	
4340	Water	285	1,750	1,465		1,465	16.3%	
4999	Sundry Expenses	0	500	500		500	0.0%	
	Public Toilets :- Indirect Expenditure	3,297	10,500	7,203	0	7,203	31.4%	0
	Net Expenditure	(3,297)	(10,500)	(7,203)				
130	Community Room							
4320	Gas	369	500	131		131	73.9%	
4330	Electric	334	500	166		166	66.7%	
	Community Room :- Indirect Expenditure	703	1,000	297	0	297	70.3%	0
	Net Expenditure	(703)	(1,000)	(297)				
	COUNCIL :- Income	165,205	163,615	(1,590)			101.0%	
	Expenditure	146,393	255,556	109,163	0	109,163	57.3%	
	Movement to/(from) Gen Reserve	18,811						

Continued over page

Detailed Income & Expenditure by Budget Heading 31/12/2019

Committee Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
Grand Totals:- Income	165,205	163,615	(1,590)			101.0%	
Expenditure	146,393	255,556	109,163	0	109,163	57.3%	
Net Income over Expenditure	18,811	(91,941)	(110,752)				
Movement to/(from) Gen Reserve	18,811						

Current Account

List of Payments made between 01/12/2019 and 31/12/2019

Date Paid	Payee Name	Reference	Amount Paid	Authorized Ref	Transaction Detail
02/12/2019	Talk Talk Ltd	DD	35.40		Broadband Dec 19
02/12/2019	St Thomas More Primary	400895	350.00	JH TB	Grant
03/12/2019	JRB Enterprise Ltd	BACS	151.56		Dog bag order November 2019
03/12/2019	British Gas	DD	85.47		Final gas bill 31 Oct-20 Nov
03/12/2019	Npower Business	DD	110.74		Electric bill Com Rm
03/12/2019	1st Call Com Ltd	DD	121.45		Telephone bill Council off
03/12/2019	Google Ireland Ltd	DD	85.71		GSuite Membership
03/12/2019	The Document Mge Group	BACS	3,078.00		Archive Scanner
05/12/2019	Encompass Consultancy Services	BACS	932.80		Advisor to EPC
06/12/2019	Ecclesfield Primary School	400902	350.00	JH & CL	Grant
06/12/2019	Coit Primary School	400899	350.00	JH & CL	Grant
06/12/2019	Lound Junior School	400900	350.00	JH & CL	Grant
06/12/2019	Lound Infant School	400901	350.00	JH & CL	Grant
06/12/2019	Angram Bank Primary School	400903	350.00	JH & CL	Grant
06/12/2019	Heritage High Green	400896	273.93	JH & CL	Grant
06/12/2019	Thorncliffe Art Group	400897	1,000.00	JH & CL	Grant
06/12/2019	Chapeltown Musical Theatre	400898	1,200.00	JH & CL	Grant
06/12/2019	Andrew Towlerton Assoc.	BACS	7.56	JH &CL	Andrew Towlerton
06/12/2019	Encompass Consultancy Services	BACS	830.30	JH & CL	Advice to EPC
11/12/2019	Npower Business	DD	118.14	JH & CL	Elec - Chapeltown toilets
12/12/2019	O2 Ltd	DD	31.25		Clerk mobile phone Dec 19
15/12/2019	Sheffield City Council	DD	66.00		Business rates
16/12/2019	H L BROWN LTD	CARD	100.00	TB & JH	Chairmans chain ingots
17/12/2019	The Warehouse	CARD	394.80	TB & CL	Officer shredder
17/12/2019	Npower Business	DD	110.74	TB & CL	Electric bill 31.8 - 22.11.19
17/12/2019	Npower Business	DD	-110.74	TB & CL	Elec bill 31.8 - 22.11.19
17/12/2019	Yorkshire Local Council Assoc.	BACS	15.00	TB & CL	Clerk/RFO advert
17/12/2019	B&M Waste Services	BACS	180.43	TB & JH	B&M Waste Services
17/12/2019	Encompass Consultancy Services	BACS	702.80	JH & TB	Consultancy to EPC
19/12/2019	Indeed Recruitment	CARD	15.24	TB & CL	Clerk/RFO advert
20/12/2019	Yorkshire Local Council Assoc.	BACS	15.00	TB & CL	Clerk/RFO advert
20/12/2019	Yorkshire Purchasing Org	BACS	20.09	TB & JH	Stationery
20/12/2019	Yorkshire Purchasing Org	BACS	-20.09	TB & JH	Stationery
20/12/2019	T Bawden	BACS	63.58	CL & JH	Stationery
20/12/2019	Mercury Live Ltd	BACS	240.00	CL & JH	Clerk/RFO advert
20/12/2019	Encompass Consultancy Services	BACS	777.80	JH & CL	Consultancy to EPC
23/12/2019	Gazprom Energy	DD	85.83	CL & TB	Gazprom Energy
23/12/2019	Amazon UK	CARD	40.47	CL & TB	Masterlock Key safes
24/12/2019	Npower Business	DD	239.62	TB & JH	Electric bill 2.10-1.12.19
30/12/2019	British Gas	DD	165.54	CL & JH	Gas bill 31.10-20.11.19
		Total Payments	13,264.42		

GRANTS GIVEN BY THE PARISH COUNCIL
2019-2020

Budget 2019/2020 - £40,000.00

Month of Fin. Cttee. Mtg. & Name of Group	Nature of Grant	Amount	Payment made under (Power)
April 19			
No grants given			
May 19			
Thorncliffe Community Sports	garden equipment and notice board	£1,785.00	Public Health Act Open Space Act 1906
P.A.S.T.ways Ltd	new blinds	£ 880.00	L.G. (Miscellaneous Provisions) Act 1976 s19
Ecclesfield Gala Committee	Ecclesfield Gala	£1,073.00	L.G. Act 1972 S145
105th High Green Scout Group	Replacement curtains and LED lights	£1,263.56	L.G. & Rating Act 1997 s31
June 19			
No grants given			
July 19			
Strong Minds Together	Football equipment	£1,560.00	L.G. (Miscellaneous Provisions) Act 1976 s19
High Green in Bloom	Party in the Park play equipment	£ 375.00	L.G. Act 1972 s145
August 19			
No grants given			
September 19			
Sheffield Shamblers Walking Group	Walking equipment	£ 887.11	L.G. (Miscellaneous Provisions) Act 1976 s19
New Seasons	Funding – Christmas event	£ 365.00	L.G. Act 1972 s145
St Vincents Amateur Boxing Club	Boxing equipment	£3,000.00	L.G. (Miscellaneous Provisions) Act 1976 s19
October 19			
Burncross Action Team	Gardening materials And stationery	£ 180.00	L.G. Act 1972 s137
High Green Villa Football Club	Pitch hire	£ 800.00	L.G. Miscellaneous Provisions) Act 1976 s19
25th Sheffield (Ecclesfield Scout Group)	Gardening materials	£1,440.00	L.G. (Miscellaneous Provisions) Act 1976 s19
Ecclesfield Conservation and Local History Group	Heritage leaflets	£ 671.20	L.G. Act 1972 s137
November 19			
Grenoside Community Association	Christmas gift	£ 150.00	L.G. Act 1972 s137
Paces	Christmas gift	£ 350.00	L.G. Act 1972 s137
Windmill Hill Primary School	Christmas gift	£ 350.00	L.G. Act 1972 s137
Chapeltown in Bloom	Christmas gift	£ 150.00	L.G. Act 1972 s137
Burncross Action Team	Christmas gift	£ 150.00	L.G. Act 1972 s137
Grenoside Conservation Society	Repair works and room rental	£ 208.15	L.G. Act 1972 s137
Chapelgreen Advice Centre	Grant towards volunteering	£6,600.00	L.G. Act 1972 s142
Grenoside Community Primary School	Christmas gift	£ 350.00	L.G. Act 1972 s137
St Thomas More Catholic Primary School	Christmas gift	£ 350.00	L.G. Act 1972 s137

High Green in Bloom	Christmas gift	£ 150.00	L.G. Act 1972 s137
Ecclesfield in Bloom	Christmas gift	£ 150.00	L.G. Act 1972 s137
December19			
Chapeltown Musical Theatre Society	Sound system	£1,200.00	L.G. Act 1972 s145
Heritage High Green	Office supplies	£ 273.93	L.G. Act 1972 s137
Thorncliffe Art Group	Rent, Public liability ins and art equipment	£1,000.00	L.G. Act 1972 s137
Coit Primary School	Christmas Gift	£ 350.00	L.G. Act 1972 s137
Lound Junior School	Christmas Gift	£ 350.00	L.G. Act 1972 s137
Lound Infant School	Christmas Gift	£ 350.00	L.G. Act 1972 s137
Ecclesfield Primary School	Christmas Gift	£ 350.00	L.G. Act 1972 s137
Angram Bank Primary School	Christmas Gift	£ 350.00	L.G. Act 1972 s137
British Legion	Poppy Wreaths & PA contrib	£ 250.00	L.G. Act 1972 s137

SUMMARY OF GRANTS GIVEN AND BUDGET 2019/20 AS AT DECEMBER 2019

TOTAL BUDGET 2019/20	**- £40,000.00**
TOTAL OF GRANTS GIVEN AS AT DECEMBER 2019	**- £27,711.95**
BALANCE OF BUDGET LEFT AS AT DECEMBER 2019	**- £12,288.05**

January 2020			
Chapeltown Athletic U8's	Kit replacement and pitch hire	£2,000.00	L.G. (Miscellaneous Provisions) Act 1976 s19

To: Finance & Premises Committee

From: Advisor to Council

Date: 23 January 2020

Title: Archive Project Update Report

The budget for the archive project for 2019/20 was £7,205. The income and expenditure for the project is below:

Detail	**Expenditure cost**	**Income received**	**Balance**
Budget 2019/20			**£7,205.00**
Archive Calendar production	£489.00		£6,716.00
Archive Postcards	£324.00		£6,392.00
Archive service	£156.00		£6,236.00
Additional Storage, Archive website	£60.00		£6,176.00
2 x laptop computers	£831.66		£5,344.34
Disk Drive	£40.99		£5,303.35
Scanner	£2,565.00		£2,738.35
Sales of calendars		190.00	£2,928.35
Archive sales		32.00	£2,963.35
Balance at 31.12.19			**£2,963.35**

Recommendation: That the committee receive the update report for information.

SCHEDULE 2

Indicative Payment Schedule

TABLE 1

On Disposition by sale with a consideration in excess of £150,000

	A	B	C	D	E
On Disposition of Pool	Amount of Grant (£)				
First payment (Net proceeds of sale)	200,000	300,000	400,000	500,000	600,000
On each anniversary of making the First Payment					
1st	22,579	16,934	11,289	5,644	0
2nd	22,579	16,934	11,289	5,644	0
3rd	22,579	16,934	11,289	5,644	0
…	22,579	16,934	11,289	5,644	0
23rd	22,579	16,934	11,289	5,644	0
24th	22,579	16,934	11,289	5,644	0

Where the Net proceeds of sale are not exactly £200,000; £300,000; etc., the annual payment will be calculated pro rata the figures in the above table

TABLE 2

On Disposition by sale with a consideration of or below £150,000 or on disposition by lease (with or without a premium).

On Disposition of Pool	Amount of Grant (£)
First payment	Net proceeds of sale
On each anniversary of making the First Payment	
1st	£30,000
2nd	£30,000
3rd	£30,000
…	£30,000
23rd	£30,000
24th	£30,000

Ecclesfield Parish Council

Financial Strategy - 3 to 5 Year Plan

1: INTRODUCTION

As well as managing "operational" budgets on a year to year basis, the Parish Council also manages its sustainable long term future. This document explains how this would be achieved.

2: EAR MARKED RESERVES (EMR)

Ecclesfield Parish Council has established a number of Earmarked Reserves (EMR's) to allow for future expenditure commitments.

The Parish Council approval is required for any expenditure from the EMR.

At the annual Budget Setting Meeting, the Parish Council decides the values to be allocated from forthcoming year's operational expenditure into each EMR. The Parish Council also considers whether any unallocated balances (eg at financial year end) should be re-allocated to some / all of the EMR's. The values of the EMR's (together with income and expenditure) are reported to each Finance & Premises Committee meeting and then to Full Council.

The purpose and operation of each of the EMR's is detailed below.

EMR	**Current Balance**	**Top up 2020/21**	**Total 2020/21**	**Live/Historic**
Election Costs	£10,019.15	£5,000	£20,000	Live
Community Liaison Function	£4,000	N/A		Historic
Archive Project	£7,205	8,000	£8,000	Historic and Live
Thorncliffe Leisure Centre Grant Agreement (24 year agreement)	£17,000	£17,000	£17,000	Historic
New EMR 2020/21				
	2020/21 Contribution	**Annual Top Up**	**Comments**	
Community Room Refurbishment/Repair	£20,000	To be taken from the Scottish Widows Account	Funds to provide refurbishment to the room used by local groups on a regular basis	
Chapel Green Advice Centre	£9,000	£9,000	Council agreed to pay for the rent of the building on behalf of the Advice Centre for a period of 4 years commencing 2019/20	
Contingency	£10,000	£10,000	Funds for those items not considered	
Disabled Access to Office	£10,000	N/A	To provide access to the first floor of the office which currently is only accessed by stairs	
Parish Survey	£10,000			
NP consultation	£20,000		Neighbourhood Plan	

2:1 DAVID CHADWICK FUND

A sum of £14,459 plus £25,541 which totals £40,000 would be Ear Marked for the David Chadwick Fund to be spent in High Green and Thorncliff Wards for the benefit of those local residents.

2:2 EMR - DONATIONS

The Parish Council have agreed to allocate the following EMR donation's for a period of 4 years commencing 2019/20:

Royal British Legion Remembrance Donation £250.00

Primary Schools Christmas Donation £350.00 (per school that applies via the grant awarding process of the Council) x 10 schools

In Bloom Groups (for Christmas trees and lights) x 5 Bloom Groups £150.00

War Memorial Fund £100.00

3: CAPITAL FUNDS

The Parish Council has money (savings) in the Scottish Widows Bank Account and there are also funds in a Cooperative Bank Savings Account.

The Parish Council will look at the money within these accounts and set out what they will be used for in the coming 3 – 5 years. These will be Ear Marked for a specific purpose and future expenditure commitments.

Purpose:

To enable the purchase of NEW capital assets (eg buildings or land) as and when an opportunity arises that the Parish Council wishes to pursue. This fund is also (occasionally) used for the purchase of small assets (eg photocopier, IT Equipment) but this is not the primary purpose of this fund.

4: INVESTMENT STRATEGY

The Parish Council would consider ethical investments in the future to ensure the parish council do not invest in organisations that are involved in arms dealing and deforestation and other unethical ventures.

The Parish Council recognises its duty to the Council Tax payers of Ecclesfield Parish to use their money wisely. Therefore, the Parish Council seeks to maximise the interest / return on the money it holds on behalf of the local residents, without incurring inappropriate risks. This will enable the value of the money held to increase, thereby decreasing the impact on future precepts.

The value of the EMR is agreed by Full Council for short and long term use and the funds within the EMR may be allocated as follows:

a) Longer Term Investments which are likely to result in a higher rate of return (including dividends) over an extended timeframe (eg 5-years or more). This may include investments in suitable approved property funds such as CCLA Property Fund.

b) Twelve-Month Maturity Fixed Rate Investments, which are likely to yield less than the longer term investments, but more than shorter term investments.

c) Six-Month Maturity Fixed Rate Investments, which are likely to yield less than twelve month investments, but more than a current account.

d) A current account for normal day-to-day running of Ecclesfield Parish Council.

e) The values invested and the type of investments will be reviewed before the maturity of each fixed term investment and at least every year.

f) The Parish Council would reduce the risk on the Council's funds by splitting the investments between several different banks/investment opportunities.

Consultation: Proposal to Change Contribution Collection Process and Update Administration Strategy

This consultation with employers in the SYPA fund sets out the proposal to switch to collection of monthly employee, employer and (any) deficit contributions **via direct debit** with effect from 1 April 2020. In practice, this means the proposal is to change the collection process for the first payment of the 2020/21 fiscal year which is due to be paid to the fund by 19 May 2020.

The proposal to change to direct debit collection has previously been publicised to employers at the Employers Forum in both 2018 and 2019.

Alongside this proposal, we have taken the opportunity to update the *Administration Strategy* to account for this change in process and a draft copy of the new Strategy is attached. We welcome comments on both this proposal document and the changes to the *Administration Strategy* by **31 January 2020.** Please see the end of this document for details of how to respond.

I should stress that as, part of the consultation, we are very keen to hear from employers who feel they may have specific difficulties with meeting the new requirements set out in this proposal and we will endeavor to work with employers to help facilitate the change where we can.

What is the rationale for the change?

SYPA introduced the process of Monthly Data Collection from 1 April 2018 which, as the name suggests, involves the submission of individual scheme member data used to calculate scheme members' entitlements on a monthly basis. Previously, the requirement had been to provide this data on a yearly basis and when a member started or left the scheme.

The MDC process is now well established with employers and their payroll providers and MDC files are generally received on a timely basis each month from all the employers in the fund.

Although the MDC submission process is working well, there is currently no direct relationship between the individual member data provided on the MDC submission and the payment of contributions, both of which are required by law to be submitted by employers. In practice, what this means is that both employers and SYPA are conducting a separate reconciliation process each month between the MDC submission and the payment of contributions over to the SYPA fund.

The principle behind the change in collection process is that the MDC submission will "drive" the payment of contributions as the amount to be paid by employers will be assessed based on the information on the MDC submission.

The data contained within the MDC submission directly determines the calculation of scheme members' benefits so it is entirely logical that this should also determine the payment of contributions from the employer to the pension fund.

How will the new payment process work in practice?

The following summary explains the process.

1. Employer submits MDC file at the end of the month in which payroll is run (or by 5th of the following month at the latest)

2. SYPA calculate the following from the MDC submission:

    a) Total employee contributions due (including any additional contributions) as a total of the individual entries on the submission.
    b) Total employer contribution due as a percentage of the pensionable pay on the submission (including any additional employer contributions). This should match the amount the MDC submission shows as an employer contribution.

3. SYPA then add any regular monthly deficit payments (or deduct any surplus amounts) to/from the amount to be recovered and issue a 'remittance advice' confirming the total payment amount proposed to be collected via direct debit.

4. Employer checks that the proposed Direct Debit collection is correct.

5. SYPA recovers total payment via direct debit on 19th of the month following the payment period (or the nearest previous working day). This is the statutory deadline for the payment of contributions to SYPA.

What will happen if I haven't submitted an MDC submission by the 5th of the month?

We are required by the Direct Debit scheme rules to give a minimum of 10 working days' advance notice of DD collection. This is why the monthly submissions must reach us by the 5th of each month at the latest.

In the absence of a submission by this date, we still legally need to recover contributions from you so we will base the 'remittance advice' on the previous month's submission. You will still need to submit the MDC submission for that month and a correcting adjustment will be made in the following period if required.

Please note that our *Administration Strategy* allows us to charge a penalty for non-submission of a file – please see Section * of the proposed *Administration Strategy* for confirmation of the potential penalties. The *Administration Strategy* itself emphasises that financial penalties are employed as a last resort and our approach is very strongly focused on collaboration with employers to resolve any issues.

What will happen if I realise the MDC submission was incorrect after I have sent it?

This will depend on the timing. We will ask you to re-submit the corrected file and if this is after the Direct Debit collection has already been scheduled, we will make an adjustment in the following month. If it is before, we may be able to adjust the remittance advice ahead of the direct debit collection.

I am a payroll provider who provides services for a number of employers. How will this work?

The MDC submission will already separately identify the individual employers so we will be able to produce an individual remittance advice for each employer. The employer and payroll provider will need to agree between them who the remittance advice is sent to on a monthly basis and inform SYPA accordingly.

How will you set up the Direct Debits in the first instance?

We will issue all employers with a Direct Debit mandate to be completed and returned to us by 31 March 2020. The Administration Strategy allows us to make a charge for employers who do not provide the mandate ahead of the commencement of the new process.

Our organisation does not favour Direct Debits. Under what powers are you making this change?

Regulation 59 n of The Local Government Pension Scheme Regulations allows administering authorities (SYPA in this case) to make such policy arrangements with scheme employers through its *Administration Strategy* as it considers appropriate to ensure that both employers and the administering authority are able to comply with statutory requirements and achieve an appropriate level of performance.

A number of LGPS funds already collect contributions via direct debit and, as indicated above, the change in collection process is intended to bring efficiency benefits to employers as well as to SYPA.

We hope that by providing you with advance notice of collections you will be able to satisfy yourselves that the monthly Direct Debit payments are correct and facilitate any cash flow requirements.